

LEGISLATURE OF NEBRASKA

ONE HUNDREDTH LEGISLATURE

SECOND SESSION

**LEGISLATIVE BILL 899**

Introduced by Kruse, 13.

Read first time January 11, 2008

Committee: Urban Affairs

A BILL

1 FOR AN ACT relating to the Land Reutilization Act; to amend  
2 sections 77-3201, 77-3203, 77-3205, 77-3206, 77-3207,  
3 77-3210, 77-3211, and 77-3212, Reissue Revised Statutes  
4 of Nebraska, and section 77-3204, Revised Statutes  
5 Cumulative Supplement, 2006; to authorize the creation  
6 of an authority by a city of the metropolitan class;  
7 to harmonize provisions; and to repeal the original  
8 sections.

9 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 77-3201, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           77-3201 (1) There may be created within each county an  
4 authority for the management, sale, transfer, and other disposition  
5 of tax-delinquent lands, which authority shall be known as the  
6 Land Reutilization Authority of the County of .....  
7 . It shall have authority to accept the grant of any interest  
8 in real property made to it or to accept gifts and grant-in-aid  
9 assistance. The authority shall have and exercise all the powers  
10 conferred by the Land Reutilization Act necessary and incidental to  
11 the effective management, sale, transfer, or other disposition of  
12 real estate acquired under and by virtue of the foreclosure of the  
13 lien for delinquent real estate taxes, and in the exercise of its  
14 powers, the authority shall be deemed to be a public corporation  
15 acting in a governmental capacity and a political subdivision of  
16 this state.

17           (2) The authority shall foster the public purpose of  
18 returning land which is in a nonrevenue-generating nontax-producing  
19 status to effective utilization in order to provide housing, new  
20 industry, and jobs for the citizens of the county and new tax  
21 revenue for the county.

22           (3) In counties in which a city of the metropolitan  
23 class is located, such a city may create an authority for the  
24 management, sale, transfer, and other disposition of tax-delinquent  
25 lands which shall be known as the Land Reutilization Authority of

1 the City of ..... Such authority shall have all of the powers  
 2 and duties granted to an authority by the act, except that such an  
 3 authority shall be a division of the planning department of such  
 4 city and shall not be deemed to be a public corporation acting  
 5 in a governmental capacity and a political subdivision of this  
 6 state, independent of the city creating the authority. All of the  
 7 acts of such an authority shall be the acts of such city. If a  
 8 land reutilization authority for the county in which is situated  
 9 a city of the metropolitan class exists at the time of creation  
 10 of an authority by a city of the metropolitan class, the existing  
 11 authority of the county shall cease to exist within one hundred  
 12 eighty days after the creation of the land reutilization authority  
 13 of such city and any real property held by such land reutilization  
 14 authority of the county shall be conveyed to the newly created  
 15 authority of the city of the metropolitan class.

16           Sec. 2. Section 77-3203, Reissue Revised Statutes of  
 17 Nebraska, is amended to read:

18           77-3203 (1) In each county which creates an authority  
 19 pursuant to subsection (1) of section 77-3201, there is hereby  
 20 created a Land Reutilization Commission which shall be composed  
 21 of at least three members, one of whom shall be appointed by the  
 22 governing body of the most populous city within the county, one  
 23 of whom shall be appointed by the board of county commissioners,  
 24 and one of whom shall be appointed by the board of education of  
 25 the school district serving the most populous city of the county.

1 At the request of the governing body of a city of the first or  
2 second class within the county, which is not the most populous  
3 city in the county, or the board of education of a school district  
4 located predominately within the county, which is not serving the  
5 most populous city of the county, the county board shall authorize  
6 the appointment of additional members to the Land Reutilization  
7 Commission, not to exceed a maximum total of seven members of  
8 the commission. The additional members of the commission shall be  
9 appointed by the governing body of the respective city or cities  
10 of the first or second class or by the board of education of the  
11 respective school district or districts. If necessary to establish  
12 an odd number of commission members, the county board may appoint  
13 a member from a municipality or school district within the county  
14 which is not represented on the commission. The members shall serve  
15 at the pleasure of the respective appointing authority and may  
16 be employees of the appointing authority. No member shall receive  
17 compensation for serving on the commission.

18 (2) Any vacancy in the office of commissioner shall be  
19 filled by the same appointing authority which made the original  
20 appointment.

21 (3) In a city of the metropolitan class which creates  
22 an authority pursuant to subsection (3) of section 77-3201, there  
23 is hereby created a Land Reutilization Commission which shall be  
24 composed of a minimum of three members of the planning department  
25 of the city of the metropolitan class, appointed by its director.

1 The members shall serve at the pleasure of the director. No member  
2 shall receive compensation for serving on the commission.

3           Sec. 3. Section 77-3204, Revised Statutes Cumulative  
4 Supplement, 2006, is amended to read:

5           77-3204 (1) The members of ~~the~~ a Land Reutilization  
6 Commission shall meet immediately after being appointed and  
7 qualified and shall select a chairperson, a vice-chairperson, and  
8 a secretary.

9           (2) Each commissioner shall furnish a surety bond in a  
10 penal sum of not less than fifteen thousand dollars, the premium of  
11 such bond to be paid by the authority from which the commissioner  
12 was appointed or which he or she represents. The bond shall  
13 be issued by a surety company licensed to do business in the  
14 State of Nebraska, shall be conditioned to guarantee the faithful  
15 performance of all duties under the Land Reutilization Act, and  
16 shall be written to cover all the commissioners.

17           (3) Before entering upon the duties of his or her office,  
18 each commissioner shall take and subscribe to the following oath:

19           State of Nebraska)  
20           ) ss.  
21           County of .....)

22           I, ....., do solemnly swear that  
23 I will support the Constitution of the United States, and the  
24 Constitution of the State of Nebraska, that I will faithfully  
25 and impartially discharge my duties as a member of the Land

1 Reutilization Authority of the ~~county~~, County of ..... or  
 2 City of ....., that I will, according to my best knowledge  
 3 and judgment, administer tax-delinquent lands held by me in trust  
 4 according to the laws of this state and for the benefit of the  
 5 public bodies and the tax bill owners which I represent, so help me  
 6 God.

7 .....

8 Subscribed and sworn to this ..... day of .....  
 9 20....

10 My commission expires: .....

11 ..... Notary Public

12 Sec. 4. Section 77-3205, Reissue Revised Statutes of  
 13 Nebraska, is amended to read:

14 77-3205 (1) The authority shall be a continuing body  
 15 and shall have and adopt an official seal which shall bear on  
 16 its face the words Land Reutilization Authority of the County of  
 17 ..... or City of ....., and shall have the  
 18 power to issue deeds in its name, which deeds shall be signed by  
 19 the chairperson or vice-chairperson and attested by the secretary,  
 20 and shall have the general power to administer its business as any  
 21 other corporate body. A land reutilization authority of a city of  
 22 the metropolitan class shall issue deeds in the name of such city  
 23 and such city, through its employees designated as the commission  
 24 members, shall have general powers to administer the authority's  
 25 business.

1           (2) The authority may convey title to any real estate  
2 sold or conveyed by it by general or special warranty deed, and  
3 may convey an absolute title in fee simple, without in any case  
4 procuring any consent, conveyance, or other instrument from the  
5 beneficiaries for which it acts. Each such deed shall recite  
6 whether the selling price represents a consideration equal to or in  
7 excess of two-thirds of the appraised value of such real estate so  
8 sold or conveyed. If such selling price represents a consideration  
9 of less than two-thirds of the appraised value of such real estate,  
10 the approval of such selling price shall be by unanimous action of  
11 the authority and evidenced by a copy of such action duly certified  
12 to by its secretary and attached to and made a part of such  
13 deed. In the event that unanimous action of the authority is not  
14 obtained, then the commissioners shall first procure the consent to  
15 such selling price of not less than a majority of the appointing  
16 authorities, which consent shall be evidenced by a copy of the  
17 action of each such appointing authority duly certified to by its  
18 clerk or secretary and attached to and made a part of such deed.  
19 In the case of a land reutilization authority for a city of the  
20 metropolitan class, the commissioners shall procure the planning  
21 director's consent.

22           Sec. 5. Section 77-3206, Reissue Revised Statutes of  
23 Nebraska, is amended to read:

24           77-3206 It shall be the duty of such authority to  
25 administer the tax-delinquent lands as follows:

1           (1) Such authority shall immediately assume possession  
2 and control of all real estate acquired by it under the ~~provisions~~  
3 ~~of sections 77-3201 to 77-3213~~ Land Reutilization Act and proceed  
4 to inventory and appraise such land and thereafter keep and  
5 maintain a perpetual inventory of such real estate, except that  
6 individual parcels may be consolidated and grouped or regrouped for  
7 economy, utility, or convenience;

8           (2) It shall classify such land as to its use into the  
9 following three classifications:

10           (a) Suitable for private use;

11           (b) Suitable for use by a public agency; and

12           (c) Not usable in its present condition or situation  
13 and held as a public land reserve. Any parcel of property may be  
14 reclassified by a three-fifths vote of the commissioners;

15           (3) Such authority shall administer all property  
16 described in subdivision (2)(a) of this section in accordance with  
17 subdivision (4) of this section. Every effort shall be made to  
18 sell such property at a price as close to its appraised value as  
19 possible. Property described in subdivisions (2)(b) and (2)(c) of  
20 this section may be transferred at no cost by the authority upon  
21 request of and to a public agency upon submission of a plan of use  
22 for the property by such public agency to the land reutilization  
23 commissioners. If the property is transferred at no cost to any  
24 public agency and such public agency shall then sell or otherwise  
25 dispose of such property within ten years for any consideration,

1 the proceeds of such sale or disposal shall be returned to  
2 the commissioners who shall in turn distribute the proceeds in  
3 accordance with the ~~provisions of sections 77-3201 to 77-3213-~~  
4 act. If the commissioners do not give an affirmative vote to the  
5 request for transfer, the authority may dispose of the property  
6 in accordance with subdivision (4) of this section. Properties  
7 described in subdivision (2)(c) of this section shall be studied  
8 and recommendations made to taxing authorities as to possible  
9 uses for such real estate. In furtherance of this objective, such  
10 authority shall have access to any and all city and county records  
11 at any time and may call upon any and all city and county officers,  
12 departments, boards, planning commissions, or other commissions  
13 for studies, statistics, or recommendations. Such authority shall  
14 prepare a list of all land described in subdivision (2)(a) of this  
15 section, which list shall be corrected and amended from time to  
16 time in the discretion of the commissioners. Such commissioners may  
17 make a charge not to exceed one dollar for each copy of such list,  
18 which charge shall be used to help defray the costs of preparing  
19 such list. Any person may purchase a copy of such list. Any real  
20 estate agent or broker licensed to do business in the city may,  
21 when authorized by the commissioners, sell any such property upon  
22 the terms and conditions imposed by the commissioners, and the  
23 commissioners may pay a reasonable real estate commission. Nothing  
24 in the act + ~~PROVIDED, that nothing in sections 77-3201 to 77-3213~~  
25 shall prohibit the commissioners from selling or exchanging any

1 such real estate directly to or with any purchaser;

2 (4) Such commissioners shall manage, maintain, protect,  
3 rent, lease, repair, insure, alter, sell, trade, exchange,  
4 or otherwise dispose of any such real estate on such terms  
5 and conditions as may be determined in the sole discretion  
6 of the commissioners in accordance with section 77-3205. Such  
7 commissioners may assemble tracts or parcels of real estate for  
8 public parks or other public purposes and to such end may exchange  
9 parcels and otherwise effectuate such purposes by agreement with  
10 any taxing authority; and

11 (5) Such authority shall adopt rules and regulations  
12 consistent with ~~sections 77-3201 to 77-3213~~ the act and shall keep  
13 records of all of its transactions, which records shall be open  
14 to inspection of any taxing authority in the county at any time.  
15 There shall be an annual audit of the affairs, accounts, expenses,  
16 and financial transactions of such authority by certified public  
17 accountants as of December 31 of each year, which accountants shall  
18 be employed by the commissioners on or before November 1 of each  
19 year, and certified copies of such audit shall be furnished to the  
20 appointing authorities and shall be available for public inspection  
21 at the offices of such appointing authorities.

22 Sec. 6. Section 77-3207, Reissue Revised Statutes of  
23 Nebraska, is amended to read:

24 77-3207 (1) The commissioners may appoint a director and  
25 such other employees as are deemed necessary to carry out the

1 responsibilities and duties imposed by ~~sections 77-3201 to 77-3213~~  
2 the Land Reutilization Act and may incur such other reasonable and  
3 proper costs and expenses related thereto. A land reutilization  
4 authority of a city of the metropolitan class shall utilize only  
5 city employees for such responsibilities and duties. If such costs  
6 and expenses exceed the amount of funds available to the authority  
7 under the ~~provisions of sections 77-3201 to 77-3213,~~ act, the  
8 authority shall obtain approval for such additional or supplemental  
9 needs. Such appropriations shall be considered advances to the  
10 authority subject to repayment from funds accumulated by the  
11 authority under the ~~provisions of sections 77-3201 to 77-3213,~~ act.

12 The county treasurer's office, or city treasurer's office  
13 in the case of an authority created pursuant to subsection (3) of  
14 section 77-3201, shall handle all such appropriated expense funds  
15 and disburse the same under the provisions for handling other  
16 expenditures.

17 The authority shall deposit all funds received under  
18 the provisions of ~~sections 77-3201 to 77-3213~~ the act with  
19 the county treasurer of the county, or the city treasurer in  
20 the case of an authority created pursuant to subsection (3) of  
21 section 77-3201, and make disbursements therefrom upon receipt of  
22 vouchers duly authorized by the authority under the ~~provisions of~~  
23 ~~sections 77-3201 to 77-3213~~ act and in accordance with standard  
24 procedures adopted by and approved by the county treasurer, or the  
25 city treasurer in the case of an authority created pursuant to

1 subsection (3) of section 77-3201.

2 (2) The fiscal year of the authority shall commence on  
3 January 1 of each year. The authority shall audit all claims  
4 for the expenditure of money and the ~~chairman or vice-chairman~~  
5 chairperson or vice-chairperson thereof shall draw warrants  
6 therefor from time to time, or the city treasurer in the case of an  
7 authority created pursuant to subsection (3) of section 77-3201.

8 Sec. 7. Section 77-3210, Reissue Revised Statutes of  
9 Nebraska, is amended to read:

10 77-3210 (1) Neither the members nor any salaried employee  
11 of the authority shall receive any compensation, emolument, or  
12 other profit directly or indirectly from the rental, management,  
13 purchase, sale, or other disposition of any lands held by  
14 such authority other than the salaries, expenses, and emoluments  
15 provided for in ~~sections 77-3201 to 77-3213.~~ the Land Reutilization  
16 Act.

17 (2) Any person convicted of violating any provision  
18 of this section shall be guilty of a felony and shall, upon  
19 conviction thereof, be punished by imprisonment in a Department of  
20 Correctional Services adult correctional facility not less than two  
21 years nor more than five years.

22 Sec. 8. Section 77-3211, Reissue Revised Statutes of  
23 Nebraska, is amended to read:

24 77-3211 (1) If, when the sheriff offers the parcels of  
25 real estate for sale under the tax foreclosure laws of this state,

1 there is no bid equal to the full amount of all tax bills included  
2 in the judgment, interest, penalties, fees, and costs then due  
3 thereon made or received at such sale, the authority shall be  
4 deemed to have bid the full amount of all tax bills included in  
5 the judgment, interest, penalties, fees, and costs then due, and if  
6 no other earlier or later bid be then received by the sheriff as  
7 allowed by law in excess of the bid of the authority, then the bid  
8 of the authority shall be announced as accepted. The sheriff shall  
9 report any such bid or bids so made by the authority in the same  
10 way as his or her report of other bids is made.

11 (2) The authority shall pay, if possible, any penalties,  
12 fees, or costs included in the judgment of foreclosure of such  
13 parcel of real estate when such parcel is sold or otherwise  
14 disposed of by such authority. Upon confirmation by the court of  
15 such bid at such sale by such authority, and upon notification by  
16 the sheriff, the county treasurer, or the city treasurer in the  
17 case of an authority created pursuant to subsection (3) of section  
18 77-3201, shall mark the tax bills to the date of such confirmation  
19 as canceled by sale to the authority, and shall take credit for  
20 the full amount of such tax bills, including principal amount,  
21 interest, penalties, fees, and costs, on his or her books and his  
22 or her statements with any other taxing authorities.

23 Sec. 9. Section 77-3212, Reissue Revised Statutes of  
24 Nebraska, is amended to read:

25 77-3212 (1) The title to any real estate which shall

1 vest in the authority under the ~~provisions of sections 77-3201 to~~  
2 ~~77-3213~~ Land Reutilization Act shall be held by the authority in  
3 trust for the tax bill owners and taxing authorities having an  
4 interest in any tax liens which were foreclosed, as their interests  
5 may appear in the judgment of foreclosure.

6 (2) The title to any real estate which shall vest in  
7 any purchaser or the authority upon confirmation of such sale  
8 by the court shall be an absolute estate in fee simple, subject  
9 to rights-of-way, easements, and covenants thereon and subject to  
10 all rights of redemption provided by law or the Constitution of  
11 Nebraska.

12 Sec. 10. Original sections 77-3201, 77-3203, 77-3205,  
13 77-3206, 77-3207, 77-3210, 77-3211, and 77-3212, Reissue Revised  
14 Statutes of Nebraska, and section 77-3204, Revised Statutes  
15 Cumulative Supplement, 2006, are repealed.